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United States  
Department of  
Agriculture

Office of  
Governmental  
and Public Affairs

# Speeches and Major Press Releases

October 27 - October 31, 1980



# Speeches and Major Policy Releases

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U.S. Department of Agriculture • Office of Governmental and Public Affairs

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**Excerpts of remarks by Secretary of Agriculture Bob Bergland at a briefing on the new Federal Crop Insurance program, Kansas City, Mo., October 29, 1980.**

My farm is near the Canadian line in Minnesota, more than a 1,000 miles north from here. My father started farming there in 1929; my wife and I in 1950. And in the 30 years that my wife and I have farmed we have had average weather only twice. Those were the two outstanding years when everything was perfect and we had recordbreaking yields.

I like to think of those years as the standard. Mostly we think that way. But in fact, through my experience on my farm, I know that a farm or ranch family can be the best managers, use credit carefully, grow high quality products, be good merchandisers using the latest technology, and still be ruined by factors over which they have no control.

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In my township there were 72 farm families--every one of which had a dairy farm. Today there is one dairy farm with 300 cows. That analogy has gone on year after year all across the United States, and the face of agriculture has changed enormously in just my lifetime.

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In the course of this changing structure, the risks also have changed.

Mother and dad could hunker down when they lost a crop. I went back and looked at my dad's old records. He farmed 614 acres in 1937 and did it with one 29-horse power tractor. His expenses came to a total of \$426.

With the advent of high technology and the elimination of diversification we lost our independence. We are now dependent on

Organization of Petroleum Exporting Countries (OPEC) for oil--and we know what's happened there: oil prices have gone up more in the last 2 years than in the previous 80 years combined.

This has had devastating consequences in the American economy--especially in agriculture--because in the last 12 months we have seen the largest increase in the cost of fuel and fuel-related expenses that we've ever seen in history. It dramatizes vulnerability to economic actions taken by countries abroad over whom we have no direct control. It underscores the need to hedge these risks. In energy it means developing our own--gasohol, coal power and so-forth.

Marketing has changed. Instead of mother marketing the week's supply of butter and eggs in local stores in exchange for things that the family needed, markets today are international in scope.

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The role of government has changed.

In the 1960's the government was primarily worried about surpluses. Big government bin sites were filled to the brim. There were the soil bank and set-asides, crop controls, and acreage allotments--all designed to cope with the results of high technology and exploding yields. Then in 1972 and 1973 Soviet Union came to the United States and very quietly and very skillfully bought up the world's only reserve of wheat. I sold my hard red spring wheat that year for \$1.40 a bushel--\$1.40 a bushel! Prices doubled and the Soviets cashed in on an enormous windfall profit at my expense.

These days the Department of Agriculture spends a good measure of its time as a market developer, generating demand for U.S. agricultural production overseas; opening political doors--such as the recently concluded discussions with the Peoples' Republic of China; dealing as a government with enormous diplomatic and political powers, and coping with governments which don't want to buy agricultural produce from the United States because the tendency on the global scale is protectionism.

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We've seen government farm programs change. Instead of their being a 1930's Dust Bowl depression-oriented kind of subsistence

program, out of which crop insurance grew, or being concerned about coping with large ownership and stocks of government-held grain, it now has to deal with an emphasis on consumption.

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During those years when we had more than we could handle--as in 1979--everything turned out letter perfect. There was perfect weather all across the United States. It was the largest crop in history--bar none--and of course the surplus was stored on farms under contracts. Then along came 1980. Probably a quarter of million farm and ranch families in the United States are going to be substantially injured by this year's recordbreaking heat and dry conditions--something no farm or ranch family can guard against, predict, or control.

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We have created programs to try and cope with these natural phenomena. The disaster payments programs under targeted crops are helpful of course. Emergency credit under the Farmers Home Administration is helpful, but it must be repaid. Other smaller programs like livestock emergency feed are all helpful. But the benefits are a pittance compared to the enormous economic losses, because one crop loss can impoverish you for a long time.

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Three years ago we started to explore whether or not, and how, if at all, we might be able to construct some kind of broad-based, all-risk, all crop insurance program combining the best of public and private enterprise. A bill was constructed and presented to Congress. While we constructed it, we went out and sought opinions of persons as to what a proper government role might be.

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There are some things that government can't do. We can't make it rain and we can't control the heat, and that's probably just as well. But government can help to cushion the effects and the shocks generated by these kinds of phenomena.

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I think that this program will some day be judged as important as the rural electrification program. But it will take 10 years for the program to be held in its highest esteem. There is little doubt in my mind that that kind of analogy will be made as time goes on. It is our job, yours and mine, as public and private citizens of this country, to work together to be sure that these matters are tended to in a professional and businesslike way.

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My role here this morning is to give you the assurance of me and my colleagues as to our attitudes with regard to the importance of this enterprise, and to let you know that we stand ready, willing and reasonably able to securing the needed support--Congressional and otherwise--to defend it from attack from those who will politicize it, and to build a program that can provide farm and ranch families with an element of predictability that is so necessary in this very expensive business dealing in an unpredictable world.

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# Press Releases

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## USDA RELEASES PRELIMINARY FOOD ASSISTANCE PROGRAM RESULTS FOR AUGUST 1980

WASHINGTON, Oct. 27--Preliminary estimates of participation in the federal-state food assistance programs for August with comparisons to the previous month and to the same month of last year were released today by Carol Tucker Foreman, assistant secretary of agriculture for food and consumer services. They are:

	August 1979	July 1980	August 1980
Food Stamp Program:			
People participating this month (millions)	19.0	21.9	22.1
Value of bonus coupons (millions)	\$635.2	\$754.0	\$760.0
Average bonus per person	\$33.40	\$34.47	\$34.47
Family Food Distribution Program:			
Number of projects in operation	41	70	70
People participating this month (thousands)	120.7	92.5	92.6
Commodity Supplemental Food Program:			
Number of projects in operation	25	20	20
Special Supplemental Food Program (WIC):			
People participating (million)	1.602	2.078	2.138
Federal food costs (millions) <sup>a</sup>	\$38.9	\$52.7	\$54.2
Child Care Food Program:			
Number of outlets	25,341	33,017	34,287
Children participating (thousands)	466.1	542.4	566.2
Summer Food Program for Children:			
Number of outlets	17,848	23,800	18,500
Participation (millions)	1.4	2.2	1.5

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<sup>a</sup>Due to monthly fluctuations, federal administrative expenditures are excluded from this program.

During the months of summer vacation, no data are provided for the national school lunch and school breakfast programs.

# Press Releases

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## **USDA EXTENDS COMMENT PERIOD ON NET WEIGHT LABELING PROPOSAL**

WASHINGTON, Oct. 27--The U.S. Department of Agriculture has extended the comment period from Nov. 6 to Jan. 5 on a proposal to revise the net weight labeling regulations for meat and poultry products.

Assistant Secretary of Agriculture Carol Tucker Foreman said the extension is in response to public requests for more time to study the proposal and prepare comments.

The proposed revision would modify the net weight labeling regulations to precisely define how much packaged meat or poultry products can vary from their labeled weights, she said. It would also establish sampling procedures to help regulatory officials enforce accurate net weights at the plant and in marketing channels.

Comments on the proposal should be sent by Jan. 5 to the regulations coordination division, room 2637-S, USDA, Food Safety and Quality Service, Washington, D.C., 20250.

Notice of this action will be published in the Oct. 28 Federal Register, available at local libraries. A backgrounder on the proposal is available from FSQS Information, room 3608-S, USDA, Washington, D.C., 20250. The net weight labeling proposal was published in the Aug. 8 Federal Register.

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# Press Releases

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## **PUBLIC MEETING ON PCB PROPOSALS SET FOR NOV. 7; COMMENT PERIOD EXTENDED**

WASHINGTON, Oct. 28--Three federal agencies have scheduled an informal public meeting Nov. 7 on proposed regulations which would require food, animal feed, pesticide and fertilizer companies to remove equipment containing liquid polychlorinated biphenyl (PCB).

The U.S. Departments of Agriculture and Health and Human Services and the Environmental Protection Agency also extended to Dec. 4 the deadline for public comment on their proposals.

Under the proposals, companies regulated by the three agencies would remove equipment or oil containing PCB from their plants. Equipment containing less than three pounds of PCB fluids would be exempted from the regulations.

PCB is a class of toxic industrial chemicals which has been widely used since 1929 in transformers, heat transfer equipment and capacitors. This equipment is present in many industrial plants serving the food industry, and industrial accidents have caused the chemical to enter the food chain, causing major contamination incidents.

USDA's Food Safety and Quality Service proposal applies to meat, poultry and egg products plants; HHS' Food and Drug Administration proposal would regulate all other food processing establishments and animal feed companies; and the EPA proposal applies to firms that produce agricultural pesticides and fertilizers.

The informal public meeting on the proposals, scheduled at the request of a number of trade associations, will begin at 10 a.m., in room 218-A of the USDA Administration building, 14th and Independence Avenue, S.W., Washington, D.C.

Those wishing to make presentations at the meeting should contact, before Nov. 5, Penny Gentilly, deputy director, public participation, room 1168-S, FSQS, USDA, Washington, D.C., 20250, telephone (202) 447-7804.

Written comments on the proposals should be submitted by Dec. 4, in duplicate, to:

USDA--executive secretariat, attn.: Annie Johnson, room 2637-S, FSQS, USDA, Washington, D.C., 20250.

FDA--documents management branch, (HFA-305), FDA, room 465, 5600 Fishers Lane, Rockville, Md., 20857.

EPA--office of toxic substances (TS-793), room 447 East Tower, 401 M Street, S.W., Washington, D.C., 20460, attn.: Joni T. Repasch.

All comments received will be shared among the three agencies.

The proposals were published in the May 9 Federal Register, available at most local libraries.

Notice of the public meeting and extension of the comment period is scheduled to be published in the Oct. 28 Federal Register.

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# Press Releases

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## **BERGLAND STRENGTHENS FmHA COUNTY OFFICE STAFFS TO HELP WITH DROUGHT LOANS**

WASHINGTON, Oct. 28--Secretary of Agriculture Bob Bergland announced today that more than 1,000 temporary employees have been hired by the Farmers Home Administration to help process applications for disaster assistance and adequately service existing loans by farmers.

"New estimates by Farmers Home Administration and the Agricultural Stabilization and Conservation Service indicate that farmers will need over \$6 billion in federal emergency credit and other assistance from the department in fiscal year 1981," Bergland said. "The greatest need will be in FmHA, where these temporary employees will work."

"An estimated \$5.1 billion in credit will be provided by FmHA to help producers who have major crop and livestock losses from drought and other disasters this year.

"Payments to farmers from ASCS programs will be an estimated \$1 billion in FY 1981, up from \$270 million in 1980, largely because of reduced crop yields and a shortage of livestock feed supplies in many areas," Bergland said.

As of this week, FmHA has hired and trained more than 1,000 of the 1,228 new employees who will work temporarily at county offices with large numbers of loan applications.

In fiscal 1980, FmHA made more than 53,000 emergency disaster loans for a total of over \$2 billion, most because of the drought and hot weather.

"Because crops are still being harvested, the actual losses by farmers cannot be determined," Bergland said, therefore the full extent of emergency financial assistance will not be known for some time. This is true for many farmers in the South and Southwest who are still trying to salvage hard-hit crops of peanuts, corn, soybeans, grain sorghum and cotton.

"We will find a way to provide adequate farm credit to meet farmers' needs," Bergland said. Our policy is that if a farm enterprise has a chance of making it, we'll stay with the farmer."

The ASCS emergency feed aid program paid out \$23.4 million to U.S. livestock producers during fiscal 1980 to buy 1.25 billion pounds of feed (equal to 22.3 million bushels of corn). During fiscal 1981, an estimated \$250 to \$300 million will be distributed to farmers under this program. Low-yield disaster payments, which totalled \$219 million in fiscal 1980, are expected to reach an estimated \$720 million in fiscal 1981 because of this year's reduced crops.

Eligible farmers unable to obtain credit elsewhere are usually eligible for Farmers Home Administration emergency loss loans at 5 percent interest. These loans are to be used to cover actual disaster losses. Farmers who are able to obtain credit elsewhere are eligible for a loan rate comparable to the cost of money to the federal government, plus up to one percent. Emergency loans for other than actual losses are available only to producers unable to obtain credit elsewhere.

"At the same time," Bergland emphasized, "our purpose is to supplement, not supplant, private lending. We would expect to return borrowers to regular, private sources of credit at the earliest opportunity."

States hardest hit by the drought and hot weather and in which substantial credit and additional FmHA personnel are needed, include:

STATE	Funds Needed in FY '81 (in millions)	Employees On Hand	Additional Employees Needed
Arkansas	\$650	51	75
Mississippi	450	107	80
Georgia	350	45	50
North Dakota	350	62	30
Texas	350	60	100
Louisiana	300	50	50
Missouri	300	24	76
North Carolina	250	91	75
California	185	19	21
Oklahoma	175	50	40
Alabama	160	29	133
South Carolina	150	10	57

Tennessee	150	19	62
Kentucky	125	25	50
Nebraska	112	59	22
South Dakota	100	8	16
Iowa	90	28	30
Kansas	90	7	40

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# Press Releases

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## USDA ANNOUNCES PROGRAM TO TACKLE RURAL TRANSPORTATION PROBLEMS

BOONE, Iowa, Oct. 29--Secretary of Agriculture Bob Bergland today announced a U.S. Department of Agriculture pilot program to test whether rural transportation services can be improved by forming transportation cooperatives.

The program may form the basis for creating a rural transportation administration, Bergland said.

"This approach was used successfully 45 years ago to establish the Rural Electrification Administration," he said.

"Through the demonstrations, the concept of a transportation cooperative will be tested in practical application, such as cooperative ownership local railroad branch lines, trucking equipment, freight handling and transfer facilities or vehicles for transporting rural people," Bergland said.

USDA will seek project proposals from state governments interested in experimenting with transportation cooperatives.

Technical and financial support through low-interest loans and loan guarantees will be made available for the demonstration projects, according to Bergland.

"We'd like to improve the transportation in rural areas adversely affected by recent closings of railroad branch lines," Bergland said.

A Rural Transportation Cooperative Task Force, appointed by Bergland Aug. 29, developed the rural transportation cooperative concept, which has been endorsed by President Carter. This concept is a banding together of interested individuals or organizations in a geographic area--local governments, farmers, existing co-ops and businesses--to form a self-help transportation cooperative.

If the demonstration projects are successful, Bergland said, they could lead to the creation of a "Rural Transportation Administration." The formation of such an agency has been suggested by Bergland, the Cooperative League of the U.S.A. and several members of Congress. Congress must, however, approve the formation of such an agency, Bergland said.

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# Press Releases

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## **USDA SAYS LABEL APPROVAL PILOT PROGRAM WILL BEGIN DEC. 1**

WASHINGTON, Oct. 30--A pilot program to decentralize certain meat and poultry label review responsibilities will begin Dec. 1, Carol Tucker Foreman, assistant secretary of agriculture said today.

"This is one in a series of steps to improve the effectiveness and efficiency of our meat and poultry label review program," Foreman said. "We hope it will streamline our service to industry while maintaining our thorough review."

According to Foreman, meat and poultry plants in certain areas may elect to have USDA inspectors-in-charge approve "simple" labels (such as for certain products made from one ingredient only) and any final labels that are consistent with sketches previously approved by FSQS headquarters staff in Washington, D.C.

A task force of USDA's Food Safety and Quality Service recommended the program after examining the agency's label review system, Foreman said. All meat and poultry product labels must be approved by FSQS before they may be used in commerce.

The 120-day voluntary program will begin Dec. 1 in three meat and poultry inspection areas: Missouri (southwestern region); Kentucky (southeastern region); and the Hyattsville area, which includes Maryland, Delaware and Washington, D.C. (northeastern region).

"We encourage industry located in the three areas to participate," said Foreman, "and we hope to hear from those who cannot participate in the program but who do have an interest in the label approval process." Public comments will be accepted for 60 days.

Circuit supervisors will attend a training program Nov. 4, in Louisville, Ky., to receive instruction and materials for use in training inspectors-in-charge to approve labels.

Throughout the program, labels approved in the regions will be audited at headquarters as a means of monitoring the pilot program and ensuring accuracy.

Foreman said the task force will evaluate the program and public comments on the program's completion, and will make

recommendations to the agency. Results will be published in the Federal Register.

Announcement of the pilot program is scheduled to be published in the Oct. 31 Federal Register.

Comments should be sent by Dec. 31 to FSQS regulations coordination division, Attn: Annie Johnson, rm. 2637 South Agriculture bldg., Washington, D.C., 20250. For more information, contact Joan Moyer Schwing, deputy director, meat and poultry standards and labeling, FSQS, USDA, Washington, D.C., 20250. Phone: (202) 447-4293

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# Press Releases

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## **USDA INAUGURATES NEW PROGRAM TO MODERNIZE MEAT AND POULTRY INSPECTION IN 3 PLANTS**

WASHINGTON, Oct. 30--The U.S. Department of Agriculture will inaugurate a new program to modernize meat and poultry inspection in three processing plants, Secretary of Agriculture Bob Bergland said today.

The three plants--in Illinois, Ohio and Pennsylvania--will begin participating in the new USDA quality control inspection system, which Bergland said is part of USDA's program to improve the regulatory process.

The plants are Peter Eckrich & Sons, Inc., 3001 W. Cornelia Ave., Chicago, Ill., a sausage manufacturer, Equity Meat Corp., North Baltimore, Ohio, producer of fresh beef patties; and Berks Packing Co., Inc., Reading, Pa., producer of various sausages and cured and smoked products.

"Quality control inspection will lessen the regulatory burden on industry without any reduction in consumer protection," Bergland said. "In the long run, it will reduce many of the costs associated with inspection. Plants will have better controls on production, and as a result, the likelihood of products not meeting the requirements of the inspection laws will be greatly decreased.

"These three firms are to be commended for leading the way in implementing a more effective and efficient inspection procedure which will help control rising inspection costs," Bergland said.

The three plants are the first to have their total quality control systems approved, Bergland said, permitting their participation in the new inspection program which was put into effect Sept. 15.

USDA approval of total plant quality control systems is based on assurances that all products manufactured in the plant will meet requirements in the inspection laws for wholesomeness and labeling accuracy, Bergland said. Participation by plants is voluntary.

Total plant quality control systems include written procedures for all stages of production, from the time raw ingredients enter the plant to the point the finished product is shipped from the plant. USDA

inspectors will monitor critical points in production, especially where the safety or accurate labeling of a product could be jeopardized.

"Inspectors working in these plants will monitor the total plant quality control system and use data from the system to supplement their own observations in making inspection decisions," Bergland said. "In approving the total plant quality control system, we are satisfied that, if it is operating correctly, products will meet the requirements of the law. The inspector's job is to verify this, through observations and occasional product sampling for testing by USDA."

Bergland said inspectors who have completed a special training program will be assigned to the plants.

The new inspection program is available to processing plants which produce such items as frankfurters, frozen dinners and soups containing meat and poultry. It does not apply to inspecting animals in slaughtering operations.

USDA may end approval of a plant's total quality control system if the firm's products are adulterated or misbranded or if the plant fails to correct problems in the system on their own or when notified by USDA. A plant may also voluntarily withdraw from the program at any time.

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